



WASHOE COUNTY

"Dedicated To Excellence in Public Service"

www.co.washoe.nv.us

CM/ACM JS
Finance 53
DA RL
Risk Mgt N/A
HR N/A
Other N/A

STAFF REPORT

BOARD MEETING DATE: March 28, 2006

DATE: March 10, 2006
TO: Board of County Commissioners
FROM: John Sherman, Finance Director, Finance Department
328-2073, jsherman@mail.co.washoe.nv.us

THROUGH: N/A

SUBJECT: Recommendation to approve a resolution authorizing the County Finance Director to arrange for the sale of the Washoe County, Nevada General Obligation (limited tax) Park Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$35,175,000 for the purpose of financing park projects, including acquisition of Ballardini Ranch; and providing other details in connection therewith.

SUMMARY

In order to provide for the acquisition cost of the Ballardini Ranch it is recommended that the Board approve an intent resolution to issue \$35.175 million in General Obligation bonds additionally secured with consolidated tax revenue with a maturity of 30 years. The recommended amount of debt includes the cost of the land according to the County appraisal, additional cost as a result of the litigation and issuance cost less the remaining balance of the voter approved bond initially issued for the acquisition. The proposed sales resolution will authorize the Finance Director to undertake activities necessary for the sale the bonds. The final action by the Board necessary to sell the bonds is the approval of a Bond Ordinance that is scheduled for May 16, 2006

County Priority/Goal supported by this item: Government Efficiency and Financial Stability.

PREVIOUS ACTION

On July 27, 2004 the Board of County Commissioners ordered the acquisition of the Ballardini Ranch by either agreement with the owner or by condemnation.

On February 21, 2006 the Board of County Commissioners approved a resolution that requested the Debt Management Commission to hold a meeting to consider approval of these general obligation bonds additionally secured by pledged revenue.

AGENDA ITEM # 15B

On March 14, 2006 the Board approved an intent resolution directing the County Clerk to publish in the newspaper a notice of intent to issue the debt and set a public hearing for March 28, 2006

BACKGROUND

The Board of County Commissioners ordered the acquisition of the Ballardini Ranch proceed by either agreement with the owner or by condemnation. The acquisition by means of agreement with the owner was not successful; therefore, the acquisition is proceeding by means of condemnation. The funding of the acquisition of the Ballardini Ranch by condemnation must be available at the conclusion of the initial court proceeding. It is currently estimated that the initial court proceeding may be completed by May 2006 with the payment due in July. In order to provide for the acquisition cost it is recommended that the County initiate the process to issue \$35.175 million in General Obligation bonds additionally secured with consolidated tax revenue with a maturity of 30 years. The recommended amount of debt includes the cost of the land according to the County appraisal, additional cost as a result of the litigation and issuance cost less the remaining balance of the voter approved bond initially issued for the acquisition.

The sales resolution will authorize the Finance Director to undertake activities necessary for the sale the bonds. However, before the bonds can be sold the Board will have to approve a Bond Ordinance that is scheduled for consideration on May 16, 2006.

FISCAL IMPACT

Upon final approval and issuance of the proposed general obligation bonds the County will be obligated to pay annual debt services of approximately \$2.2 million for 30 years; for a total principle and interest of approximately \$64.4 million.

RECOMMENDATION

It is recommended that the Board approve a resolution authorizing the County Finance Director to arrange for the sale of the Washoe County, Nevada General Obligation (limited tax) Park Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$35,175,000 for the purpose of financing park projects, including acquisition of Ballardini Ranch; and providing other details in connection therewith.

POSSIBLE MOTION

Should the Board agree with Staff's recommendation, a possible motion would be: Move to approve the resolution.

Summary - a resolution authorizing the County Finance Director to arrange for the sale of the Washoe County, Nevada General Obligation (Limited Tax) Park Bonds (Additionally Secured by Pledged Revenues).

RESOLUTION NO _____

A RESOLUTION AUTHORIZING THE COUNTY FINANCE DIRECTOR TO ARRANGE FOR THE SALE OF THE WASHOE COUNTY, NEVADA GENERAL OBLIGATION (LIMITED TAX) PARK BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$35,175,000 FOR THE PURPOSE OF FINANCING PARK PROJECTS, INCLUDING ACQUISITION OF BALLARDINI RANCH; AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Board of County Commissioners (the "Board") of Washoe County, Nevada, (the "County," and the "State," respectively), proposes to issue up to \$35,175,000 of general obligation bonds of the County in one or more series (the "Bonds") for the purpose of paying all or a portion of the cost of acquiring, constructing, improving and equipping of park projects as provided in NRS 244A.039, including, but not limited to, structures, fixtures, furniture and equipment therefore, and all appurtenances and incidentals necessary, useful or desirable for any such facilities (the "Project"); and

WHEREAS, such Bonds will be additionally secured by a pledge of 15% of certain revenues received by the County and allowed to be pledged pursuant to Section 360.698 of NRS, including certain proceeds of liquor taxes, tobacco taxes, real property transfer taxes, basic governmental services tax and basic and supplemental sales taxes (the "Pledged Revenues"); and

WHEREAS, the Board determines that it is necessary and advisable that the County incur a bonded indebtedness pursuant to NRS 244A.011 to 244A.065, inclusive (the "Project Act") and the Local Government Securities Act, NRS 350.500 to 350.720, inclusive (the "Bond Act"), for the purpose of paying all or a portion of the cost of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY, NEVADA:

Section 1. This resolution shall be known and may be cited by the short title "2006 Park Bond Sale Resolution."

Section 2. The County Finance Director or his designee is hereby authorized to arrange for the issuance and sale of the Bonds in a total aggregate principal amount of not more than \$35,175,000, in accordance with the Project Act and the Bond Act. In the event no Bonds are issued for the Project or the Project has been delayed as determined by the County Finance Director, the County Finance Director is hereby authorized to pay costs of issuance related to the Bonds that would have been paid if the issuance of the Bonds had not been cancelled or delayed from any legally available funds of the County.

Section 3. The County Finance Director or his designee is authorized to specify the terms of the Bonds, the methods of their sale, the final principal amount of the Bonds (not in excess of \$35,175,000), the terms of their repayment and security therefor, and other details of the Bonds, and if deemed appropriate by the County Finance Director or his designee, to advertise the Bonds for sale, subject to the ratification by the Board by the adoption of a bond ordinance or ordinances specifying the Bond terms and details and approving their sale (the "Ordinance").

Section 4. The officers of the County are hereby authorized to take all action necessary or appropriate to effectuate the provisions of this resolution, including without limitation, assembling of financial and other information concerning the County, the Project, the Pledged Revenues and the Bonds, and, if deemed appropriate by the Finance Director or his designee, preparing and circulating a preliminary official statement, a notice of bond sale for the Bonds, or both, in the forms specified by the Finance Director, or his designee. The Finance Director or his designee is authorized to deem the official statement or preliminary official statement to be a "final" official statement on behalf of the County for the purposes of Rule 15(c)2-12 of the Securities and Exchange Commission.

Section 5. The Finance Director shall, after arranging for the sale of the Bonds, shall present the proposed final terms of the Bonds to the Board for its approval by adoption of the Ordinance, which shall not be effective until after the expiration of the 90-day petition period as set forth in NRS 350.020(3).

Section 6. The officers of the Board be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 7. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revive any resolution, or part thereof, heretofore repealed.

Section 8. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

Section 9. This resolution shall become effective and be in force immediately upon its adoption.

PASSED AND APPROVED this March 28, 2006.

Chairman

(SEAL)

Attest:

County Clerk

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I, Amy Harvey, the duly chosen, qualified and acting Clerk of Washoe County (the "County"), Nevada (the "County"), do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of a resolution of the Board of County Commissioners (the "Board") adopted at a regular meeting of the Board held on March 28, 2006, and the original of such resolution has been approved and authenticated by the signature of the Chairman of the Board and myself as Clerk, and has been recorded in the minute book of the Board kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. The members of the Board were present at such meeting and voted on the passage of such resolution as follows:

Those Voting Aye:

Jim Galloway
Dave Humke
Robert M. Larkin
Pete Sferrazza
Bonnie Weber

Those Voting Nay:

Those Abstaining:

Those Absent:

3. All members of the Board were given due and proper notice of such meeting.

4. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and excerpt from the agenda for the meeting relating to the resolution, as posted no later than 9:00 a.m. at least 3 working days in advance of the meeting at the Board's office, the County's website, and three other locations, i.e., at:

- (i) Washoe County Administration Complex
1001 East Ninth Street
Reno, Nevada
- (ii) Washoe County Courthouse
Virginia and Court Streets
Reno, Nevada
- (iii) Washoe County Library
301 South Center Street
Reno, Nevada
- (iv) Justice Court
630 Greenbrae Drive
Sparks, Nevada

is attached as Exhibit "A".

5. No later than 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in the same manner in which notice is required to be mailed to a member of the Board.

IN WITNESS WHEREOF, I have hereunto set my hand this March 28, 2006.

Clerk

EXHIBIT "A"

(Attach Copy of Notice of Meeting)